

## Landowner Incentive Program

### Appropriation Language

*For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for private conservation efforts to be carried out on private lands, \$40,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for conservation spending category activities. Provided, That the amount provided herein is for a Landowner Incentive Program established by the Secretary that provides matching, competitively awarded grants to States, the District of Columbia, Tribes, Puerto Rico, Guam, the United States Virgin Islands, the Northern Mariana Islands, and American Samoa, to establish, or supplement existing, landowner incentive programs that provide technical and financial assistance, including habitat protection and restoration, to private landowners for the protection and management of habitat to benefit federally listed, proposed, or candidate or other at-risk species on private lands.*

Note: A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included in 2003 in this budget reflect the Administration's 2003 policy proposals.

### Authorizing Statutes

**Endangered Species Act of 1973**, as amended, (16 U.S.C. 1531-1544). Prohibits the import, export, or taking of fish and wildlife and plants that are listed as threatened or endangered species; provides for adding species to and removing them from the list of threatened and endangered species, and for preparing and implementing plans for their recovery; provides for interagency cooperation to avoid take of listed species and for issuing permits for otherwise prohibited activities; provides for cooperation with States, including authorization of financial assistance; and implements the provisions of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES). Authorization of Appropriations: Expired September 30, 1992.

**Fish and Wildlife Act of 1956**, as amended, (16 U.S.C. 742(a)-754). Establishes a comprehensive national fish and wildlife policy and authorizes the Secretary to take steps required for the development, management, advancement, conservation, and protection of fisheries resources and wildlife resources through research, acquisition of refuge lands, development of existing facilities, and other means.

**Fish and Wildlife Coordination Act**, as amended, (16 U.S.C. 661). The Secretary of the Interior is authorized to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in the development, protection, rearing, and stocking of all species of wildlife, resources thereof, and their habitat, in controlling losses of the same from disease or other causes, in minimizing damages from overabundant species, in providing public shooting and fishing areas, including easements across public lands for access thereto.

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Landowner Incentive Program	2002 Actual	2003 Estimate	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2004 Budget Request	Changes From 2003 (+/-)
Landowner Incentive Grants \$(000) FTE	34,920	44,620		-9,700	34,920	-9,700
Tribal Grants \$(000) FTE	3,880	3,880			3,880	
Administration \$(000) FTE	1,200	1,500 <sub>7</sub>		-300	1,200 <sub>7</sub>	-300
CAM (see General Business Operation Expenses)	[0]	[TBD]			[TBD]	
<b>Total, Landowner \$(000) Incentive Program FTE</b>	<b>40,000<sub>0</sub></b>	<b>50,000<sub>7</sub></b>		<b>-10,000</b>	<b>40,000<sub>7</sub></b>	<b>-10,000</b>

### 2004 Program Overview

The Landowner Incentive Program (LIP) is an initiative to provide competitive matching grants to states, territories, and tribes to establish or supplement existing landowner incentive programs that provide technical and financial assistance to private landowners. The grants will fund programs that assist landowners and restore habitats of listed, proposed, candidate, or other species determined to be at risk on private lands. The Landowner Incentive Program supports the Department's Draft Strategic Plan mission of Resource Protection and its outcome goal, *Sustain Biological Communities on DOI Managed and Influenced Lands and Waters*.

### 2002 Program

The FY 2002 Landowner Incentive Program (LIP) provides competitive matching grants to States, Territories, the District of Columbia, and Tribes. The Tribal portion of the program is allocated \$4 million, and the State and Territorial portion is \$36 million. Administration of the total program is estimated at \$1.2 million. The grants will establish or supplement landowner incentive programs that provide technical and financial assistance to private landowners for projects that protect and restore habitats of listed species or species determined to be at risk. The Tribal and State programs were developed separately to ensure fair competition (the States have considerably more experience in competing nationally for Service grant funds), and to provide a degree of certainty for the Tribes that they would be assured a portion of the funds.

*State Program:* Initial comments regarding draft LIP implementation guidelines were received from States and the Service Regional Offices. As a result of these comments, the Service developed program guidelines with two tiers of competition and funding. **Tier-1** grants (capped at \$180,000 per State) are intended to provide a base for States to fund staff and their associated support necessary to develop a new or enhance an existing landowner incentive program. **Tier-2** grants (having a LIP programmatic cap of \$1.74 million per State) were intended to 'implement' State landowner incentive programs by providing technical or financial assistance to private landowners through a variety of means to support on-the-ground projects.

The Service published a Notice of proposed LIP guidelines in the *Federal Register* on June 7, 2002. The Service received and considered written responses from 25 agencies and organizations. The Final LIP Policy with Implementation Guidelines and a request for grant proposals was published in the *Federal Register* on October 1, 2002. On this same date, the Service sent letters to State Directors and other interested organizations notifying them of the published announcement. The deadline for States and Territories to submit Tier 1 and Tier 2 grant proposals to the Service was December 2.

Criteria for ranking and selection of proposed projects include factors such as:

- A clear and sufficiently detailed description of the program.
- How projects may fit into a broader scale conservation planning effort at the State or regional level.
- The adequacy of management systems for fiscal, contractual, and performance accountability.
- The existence of a fair and equitable system for fund distribution.
- The degree to which the State has developed its own criteria to evaluate and prioritize their project proposals, based on criteria such as species needs, priority habitats, compliance with State and federal requirements, and the feasibility of success.
- State outreach efforts used to effect broad public awareness, support, and participation.
- Identification by name of species at risk to benefit from the proposed project.
- The number of species to benefit from the proposed project.
- The percentage of funds identified for staff and related administrative costs in comparison to the total program costs.
- The percentage of total non-Federal funds used for cost sharing.
- The applicant demonstrates the urgency of the projects or actions that are to benefit the species targeted and the short-term and long-term benefits anticipated.

Landowner Incentive Program projects include the following types of activities:

- Restoration of marginal farmlands to wetlands.
- The removal of exotic plants to restore natural prairies.
- A change in grazing practices and fencing to enhance important riparian habitats.
- Instream or streambank structural improvements to benefit aquatic species.
- Road closures to protect habitats and reduce harassment of wildlife.
- Conservation easements.
- Other innovative programs proposed by states.

During the initial application period, the Service received a total of 84 Tier 1 and Tier 2 project proposals in early FY 2003 totaling \$60.6 million from 47 States. After deducting \$4 million for the Tribal program and \$1.2 million for administration of the State program, a total of \$34.9 million from the FY 2002 appropriation is available for grant awards to States. With these dollars, the Service anticipates funding approximately 70 percent of the initial 84 proposals. Announcement of the award recipients will occur in February 2003.

The 84 grant proposals included a wide variety of implementation approaches. Some State fish and wildlife agencies intend to solicit project proposals from private landowners and select the best for funding, while others have targeted habitat types in certain areas of the State and plan to contact the landowners in these areas to pursue cooperative projects. Some States envision considerable use of

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conservation easements to effect long term habitat improvement on private lands, while others are focused on cost-shared habitat management actions in relation to the Safe Harbor Agreement program of the U.S. Fish and Wildlife Service. It is clear that nearly all States intend to pursue funding and agency involvement under the Landowner Incentive Program. The Service is committed to provide feedback to the States to improve future grant proposals and program effectiveness (FY 2003 and beyond).

*Tribal Program:* A separate Tribal Landowner Incentive Program was created for three major reasons:

- There is a unique relationship between the Federal Government and Tribes, which includes a Federal Trust Responsibility for Native Americans.
- Tribal lands are not private lands—they would not be eligible for funding under a State-centered Landowner Incentive Program with a private lands grant distribution system.
- The Tribes directly administer the funds themselves rather than further distribute them to individual landowners. Thus, the criteria used to evaluate Tribal program proposals differ to some extent from those used in the State program.

The results of both the State and the Tribal programs will be similar in effect as both encourage voluntary conservation of natural resources.

Service liaisons are working closely with Tribal partners to complete a separate competitive grant process for the Tribes. This cooperative effort has been received favorably by the Tribes involved. As part of this developmental process, the Service published for public comment the proposed guidance for the Tribal grant program in the *Federal Register* on December 27, 2002. The Service is now developing responses to those comments and will incorporate them into the Final Guidance and Grant Application Kit. The Service anticipates publishing a *Federal Register* notice containing the final guidance and a request for proposals in the spring of 2003.

### 2003 Program

The Service proposed a \$50 million program for FY 2003, an increase of \$10 million from the FY 2002 appropriation. The Service intends to start the second cycle of State grant competition by publishing a request for proposals, with a 60-day deadline for submissions. The Service intends to make FY 2003 grant award recommendations within 120 days of posting its request for proposals in the *Federal Register*, for a total of 6 months from the invitation for proposals and the initial awards. This schedule will allow awards using FY 2003 budget authority to be made near the end of this fiscal year, bringing the annual grant cycle into closer alignment with the appropriation cycle. This will be possible because the program guidelines and project ranking criteria have been established, both State and Federal grant administrators are more familiar with the program's intent and processes, and States will have in place systems and procedures better able to identify projects ready for funding.

### Justification of Program Changes

Subactivity	2004 Budget Request	Program Changes (+/-)
Landowner Incentive Program \$(000) FTE	40,000 7	-10,000

The FY 2004 budget request for the Landowner Incentive Program is \$40,000,000 and 7 FTE, a decrease of \$10,000,000 from the FY 2003 President's budget.

### Landowner Incentive Program (-\$10,000,000):

This funding level equals the FY 2002 budget authority for this program and will allow the Service to move forward with assurance to the States and Tribes of continued financial support through FY 2004. The grant cycle for FY 2004 will start near the end of Calendar Year 2003 with a request for proposals

in the *Federal Register*. As in FY 2003, the program regulations already in place will provide the structure for this cycle. The Service anticipates awarding grants by the summer of 2004.

The Landowner Incentive Program supports the Department's Draft Strategic Plan mission of Resource Protection and its outcome goal, *Sustain Biological Communities on DOI Managed and Influenced Lands and Waters*. This grant program utilizes Strategy 1—create habitat conditions on private land for biological communities to flourish—in supporting the Department's mission. Through the Landowner Incentive Program, the Service intends to increase the number of acres and stream and shoreline miles to help achieve habitat and biological community goals. It also intends to increase the number of partners involved in the program. The Service is developing performance measures for the Landowner Incentive Program and plans to solicit input from program cooperators. The measures are targeted for full implementation in FY 2004, which will become the baseline year for future refinement and application.

#### **Relationship of Program Changes to Performance Goals**

The Service has not yet developed performance measures for this program. Measures will be developed as part of the Service's operational plan. The Service is in the process of developing a new operational performance plan that directly aligns all program activities and objectives with the Secretary's four strategic plan mission components – Resource Protection, Resource Use, Recreation, and Serving Communities. The Service's operational plan will contain new long-term and annual performance goals and measures to guide the delivery of FWS program implementation, management reform, and budget formulation. The alignment and integration of program performance with budget formulation will provide the context for transparent accountability and the foundation for continual improvement. The Service anticipates completion of a new operational plan by September 2003.

**LANDOWNER INCENTIVE PROGRAM**
**Standard Form 300**

**DEPARTMENT OF THE INTERIOR  
FISH AND WILDLIFE SERVICE  
LANDOWNER INCENTIVE PROGRAM**

<b>Program and Financing (in thousands of dollars)</b>			
<b>Identification code 14-5496-0</b>	<b>2002 Actual</b>	<b>2003 Estimate</b>	<b>2004 Estimate</b>
<b>Obligations by program activity:</b>			
00.01 Landowner Incentives Grant Program	0	54,800	59,600
00.02 Administration	79	495	495
10.00 Total obligations	79	55,295	60,095
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year	0	39,921	34,626
22.00 New Budget authority (gross)	40,000	50,000	40,000
23.90 Total budgetary resources available for obligation	40,000	89,921	74,626
23.95 New obligations (-)	-79	-55,295	-60,095
24.40 Unobligated balance available, end of year	39,921	34,626	14,531
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.20 Appropriation (Special Fund) LWCF	40,000	50,000	40,000
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	0	10	29,322
73.10 New obligations	79	55,295	60,095
73.20 Total outlays, gross (-)	-69	-25,983	-57,480
74.40 Obligated balance, end of year	10	29,322	31,937
<b>Outlays, (gross) detail:</b>			
86.97 Outlays from new discretionary authority	69	15,000	12,000
86.98 Outlays from discretionary balances	0	10,983	45,480
87.00 Total outlays (gross)	69	25,983	57,480
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	40,000	50,000	40,000
90.00 Outlays	69	25,983	57,480
<b>Object Classification (in thousands of dollars)</b>			
Direct obligations:			
11.1 Full-time permanent	45	400	400
11.9 Total personnel compensation	45	400	400
12.1 Civilian personnel benefits	11	85	85
21.0 Travel and transportation of persons	15	10	10
31.0 Equipment	8	0	0
41.0 Grants, subsidies and contributions	0	54,800	59,600
99.9 Total obligations	79	55,295	60,095
<b>Personnel Summary</b>			
<b>Direct:</b>			
Total compensable work years:			
1001 Full-time equivalent employment	0	7	7
1009 FTE inherently governmental (Civilian)	0	7	7
Average salary per FTE	0	57,142	57,142